



U.S. Department of Justice

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Tax Division

Please reply to: Civil Trial Section, Northern Region
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June 23, 2022

Via ECF

Honorable Peggy Kuo
United States District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, New York 11201

Re: *United States v. Lax et al.*
No. 1:18-cv-4061 (E.D.N.Y.)

Dear Judge Kuo:

Pursuant to the Court's docket text order of May 27, 2022, the Plaintiff United States and Defendants Zlaty Schwartz, Judith Lax and J.L. (a minor), 299 Hewes Street Realty Corp., Morris Schlager, Gitty Schlager, Joseph Green, Hannah Green, Henny Green, Hershi Green, 307 Hewes Realty Corp., JBAM Realty LLC, Ben Zion Jacobowitz, and Toby Jacobowitz report on the status of issues to be discussed at the upcoming telephonic status conference in this case scheduled for June 27, 2022, at 11:30 a.m. The other Defendants did not participate in this report.

Regarding the 299-301 Hewes Street mediation, the settlement offers of Defendants Judith Lax and J.L., and of Defendants 299 Hewes Street Realty Corp., Schlagers, and Greens are proceeding through the Department of Justice-Tax Division's formal approval process. Regarding the 307 Hewes Street mediation, after further due diligence, Defendant 307 Hewes Realty Corp. intends to proceed with the settlement that resulted from the mediation. Counsel for the United States has been corresponding with counsel for 307 Hewes Realty Corp. on proposed revisions to the draft settlement agreement, which will then have to proceed through the Tax Division formal approval process.

The United States' settlement discussions with Defendant JBAM Realty LLC regarding the claim against it alleged in Count 12 of the Amended Complaint (lien enforcement) are ongoing. The United States' settlement discussions with Intervenor Aron Lax regarding Count 12 are ongoing. The United States' settlement discussions with Defendants Moshe Lax and

Zlaty Schwartz regarding certain claims in Count 12 are ongoing. The United States' settlement discussions with Defendant KGK Jewelry LLC regarding a claim in Count 12 are ongoing.

On April 1, 2022, the Court granted the United States' motion to compel against Moshe Lax regarding the Meltzer Lippe firm's estate planning and SCIN-related advice. *See* ECF No. 295. At the last status conference in this case, the Court granted Defendant Schwartz's request to extend her deadline to review documents in Meltzer Lippe's possession, to June 30, 2022. The parties anticipate full compliance with the April 1 order's other requirements.

Respectfully submitted,

/s/ Philip L. Bednar

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